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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, Tokyo — 367

TO : THE DEPARTMENT OF STATE, WASHINGTON. — August 6, 1952
DATE

REF :

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	REC'D	OTHER
	AUG 8	

SUBJECT: FCN Treaty Negotiations

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The Ministry of Foreign Affairs has informed the Embassy that delays have been encountered in reconciling the views of the various Ministries which have given rise to a number of questions concerning the draft FCN treaty with the United States. Informal discussions between the Embassy and the Ministry on the draft treaty, which were originally to have been resumed early in July, have been postponed on several occasions at the Ministry's request. Officials of the Ministry believe, however, that they will be ready to resume discussions with the Embassy's representatives about August 25.

Apparently on the basis of information from the Ministry, although no official statement was released, various newspapers have recently reported that "formal negotiations" on the U.S.-Japan FCN Treaty will open late in August. Preliminary conversations began in February 1952, according to these reports, and were suspended late in June in order "to give the Government time to coordinate its views". It is further reported that the Ministry of Foreign Affairs hopes to have reached an understanding with U.S. representatives on the main points of the proposed treaty prior to the opening of formal negotiations, although some questions (concerning tariff matters, the induction of foreign capital, and others) are not yet settled. A number of newspapers further stated that the Government believes that the proposed treaty will be formalized late this year or early in 1953, and that it is customary for negotiations of this type to last about one year in view of the importance of these treaties in establishing the pattern of commercial relations for a period of at least 10 years.

While none of these statements are confirmed by Ministry officials, who state that such news reports are mere speculation, it is believed that these are, in fact, based on remarks made by Ministry representatives to news reporters. Other news accounts state that "the treaty with the United States will become the pattern for those with other countries", and that the Government has decided to defer other negotiations despite the fact that some countries have already indicated their readiness to discuss draft treaties. Although informal discussions have already been initiated with the British Embassy in Tokyo, for example, the Ministry reportedly has no intention of opening formal negotiations with the United Kingdom for some months to come.

From the Ambassador:

Peyton Kerr
First Secretary of Embassy

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